

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-07 ISO-00 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-03 OMB-01

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P R 270752Z APR 77

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 3512

INFO AMEMBASSY CANBERRA

AMEMBASSY OTTAWA

USDA WASHDC

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PASS STR

EO 11652: GDS

TAGS: ETRD KS

SUBJ: CANADIAN EFFORTS TO SEEL WHEAT TO ROK FOR FOOTWEAR
CONCESSIONS

REF: (A) SEOUL 2372, (B) STATE 92660

1. REFTEL (A) WHICH WAS SENT TO USDA/IMD/GRAIN AND FEED/DALE DOUGLAS AND INFO AGATTS, REPORTED ROK INTEREST IN PURCHASE OFF/GRADE WHEAT AND NOTED CANADIAN AMBASSADOR'S REQUEST TO MINISTRY OF AGRICULTURE AND FISHERIES (MAF) TO TAKE WHAT-EVER MEASURES MAY BE NECESSARY TO PERMIT CANADA TO HAVE AN OPPORTUNITY TO SELL WHEAT TO ROK. REFTEL NOTED THAT AUSTRALIANS WERE ALSO IN POSITION TO SUPPLY OFF GRADE WHEAT FOR FEED AND EXPRESSED CONCERN OVER THREAT TO 100 PERCENT MARKET FOR US WHEAT IN RECENT YEARS.

2. ON FEBRUARY 2, 1977, CANADIAN AMBASSADOR WROTE COMPLAINT TO DEPUTY PRIMIN NAM DUCK WOO OVER CAN/ROK
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TRADE IMBALANCE AND WHEAT TENDER PRACTICES OF ROKG WHICH DISCRIMINATE AGAINST NON-US SUPPLIERS. (WORD-ING OF TENDERS REQUIRES SHIPMENT FROM US PORTS, ETC.) IN A REPLY DATED APRIL 19, 1977, DEP PRIMIN SAID THAT ROKG WAS SERIOUSLY CONSIDERING NEW TENDER PROCEDURES WHICH WOULD OPEN THE KOREAN WHEAT MARKET TO NON-US SUPPLIERS. MAF OFFICIALS HAVE STATED THAT TE

REPLY WAS MERELY A "DIPLOMATIC" COURTESY.

3. DURING RECENT VISIT OF MINISTER OF COMMERCE AND INDUSTRY (MCI) CHANG YIE JOON TO OTTAWA ON APRIL 7-8, 1977, TO DISCUSS CANADA'S RESTRICTIONS ON TEXTILES (SEE 76 GENEVA 9694 RE CONTROVERSIAL CANADIAN USE OF GATT ART XIX VS. KOREA AND H.K.) AND FOOTWEAR, GOC NOTED LARGE TRADE BALANCE IN ROK FAVOR AND REQUESTED THAT WHEAT TENDER TERMS BE REVISED TO ALLOW CANADA TO SELL WHEAT TO KOREA. CHANG REPLIED THAT ROKG WOULD GIVE IT CAREFUL CONSIDERATION.

4. EMBASSY COMMENT: GOC (AND GOA) HAS BEEN EXTREMELY ROUGH RE TEXTILES AND FOOTWEAR WITH THE ROK, AND NOTING WE ARE AWARE OF INDICATES THAT CANADIANS WILL NOT PERSIST. MAF OFFICIALS HAVE REASSURED AGATT THAT THERE IS NO PRESENT INTENTION TO REVISE WHEAT TENDER TERMS AND EMBASSY MUST OF COURSE REFRAIN FROM MAKING INQUIRIES RE CANADIAN ACTIVITIES AT MCI ON THE EVE OF THE ARRIVAL OF STR FOOTWEAR TEAM LEAST WE INSPIRE ROKG TO ADOPT TACTICS SIMILAR TO THOSE BEING USED BY CANADIANS (AND AUSTRALIANS). ROK NON-RUBBER FOOTWEAR INDUSTRY HAS INFORMED US THAT IT WAS PARTICULARLY "HURT" BY ITC ORIGINAL RECOMMENDATION, FOR TARIFF QUOTA AT 1974 LEVEL OF 9.2 MILLION PAIRS, BECAUSE IT HAS PURCHASED 90 PERCENT OF ITS MACHINERY, LEATHER AND HIDES, CHEMICALS AND OTHER RAW MATERIALS FROM THE US. ALTHOUGH IT WAS RELIEVED BY THE PRESIDENT'S DECISION TO REQUEST OMA LIMITED OFFICIAL USE

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INSTEAD OF IMPOSING TARIFF QUOTAS, INDUSTRY IS ALSO SENSITIVE TO THE FACT THAT ONLY KOREA AND TAIWAN WERE SINGLED OUT FOR OMA'S. THEY QUESTION WHETHER OVERALL ROK SHARE OF ALL US NON-RUBBER FOOTWEAR IMPORTS AT 11.8 PERCENT LARGELY LIMITED TO LOW PRICED ATHLETIC SHOES WHICH THEY BELIEVE US MANUFACTURERS ARE UNLIKELY TO FIND IT ATTRACTIVE TO PRODUCE, WARRANTS SUCH TREATMENT. (ROK SHARE OF US LEATHER DRESS SHOE IMPORTS IS 3 PERCENT.)

5. LINKAGE OF MANUFACTURES WITH AGRICULTURAL TRADE BY CANADIANS IS INSIDIOUS IN US CONTEXT WHEN CONSIDERATION IS GIVEN TO FACT THAT EXCLUSIVE OR NEAR EXCLUSIVE SUPPLY OF KOREAN IMPORTS OF WHEAT, SOYBEANS, BARLEY, RICE, CORN, COTTON, HIDES, TALLOW, TOBACCO, DAIRY CATTLE AND OTHER PRODUCTS IS FROM US.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WHEAT, SALES, FOOTWEAR
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SEOUL03442
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770146-0837
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770414/aaaaalgw.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:39:09 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:06 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6b46c19c-c288-dd11-92da-001cc4696bcc
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Original Previous Classification: n/a
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TAGS: ETRD, EPAP, KS, CA
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vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/6b46c19c-c288-dd11-92da-001cc4696bcc
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